Wealth Markets and Commerce

Finance - Economics

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The effects of increased freight and passenger rates in railroad earnings are fully reflected, for the first time, in the July statement issued yesterday by the Interstate Commerce Commission. Gross earnings from freight operations were 35 per cent larger than in the corresponding month a year before, whereas the increase for the seven months was only 11 per cent. Similarly passenger revenues jumped 42 per cent, against a gain for the whole period of government operation of 27 per cent. But what is more illuminating is the fact that the operating ratio—that is, the ratio of operating expenses to operating revenues—was only 67.6 per cent in July, against 83.6 per cent for the whole period, and this decrease was not accompanied by any substantial change in the actual amount expended on railroad operations. The result was that the operating income of the roads covered in the report for the month reached $135,698,030, bringing the income for the seven months up to $309,373,963. Assuming that the results in the last five months are as favorable as in July, the year's operating income may be sufficient to cover the compensation guaranteed the railroads. At any rate, if there is a deficit it will be a small one, and probably will be wiped out in the succeeding year.

The South itself is largely responsible for the reported intention of the President to fix the price of cotton. Had the planters marketed their holdings as in normal times the situation would not have assumed the threatening aspect which made some such action seem necessary. But planters have steadily and persistently withheld cotton from the market, and thereby have forced the price of the staple up to an abnormally high and partially artificial level. The South will not suffer greatly by price fixing, however, since it is practically certain that the price will be high enough to insure the planter a very large return, probably much larger proportionately than the farmer gets for his wheat. It is the brokers who will be hardest hit, as was the case when wheat prices were fixed and speculation in futures thereby eliminated. A fixed price for cotton would eliminate the necessity for a futures market, inasmuch as there would be no need of hedging transactions. It would also eliminate speculation in the commodity, and it is very largely on speculation that the broker thrives, although business of this character has been somewhat restricted of late on the local exchange. The cotton brokerage houses will fare thinly under fixed prices, but that is a misfortune of war that cannot be avoided if the Administration considers it necessary to assume control of the market for the last important basic commodity that has remained free from restrictions.

In discussing the proposal to increase the price of gold in order to stimulate the production of the metal Professor Irving Fisher calls attention to the fact that the present high cost of living is largely the result of our enormous gold importations, says that to stimulate production at this time would simply result in a further rise of commodity prices, and goes on:

We already have the major part of the world's gold in the vaults of the United States Treasury. If, after the war, there should be a tendency for its too rapid withdrawal, the problem can be dealt with then, and in several ways. But as yet such a catastrophe is not even in sight. And not only do we have an undue quantity of gold at present, but the gold which we possess is of little or no use through the war. It is, one may say, interned for the period of the war, and of potential use for after-the-war trade with other nations and for redemption of credit and currency. At present it is not wanted for domestic circulation and can be little used in foreign trade, while, for war reasons, it is practically not used at all in redemption. It is simply an immense unused hoard laid up for the future.

Any increase in that hoard involves an increase in the circulating medium. While the new gold would go into the United States Treasury vaults, those who deposited it would receive gold certificates which add to the actual circulation; and the circulating medium is already increasing faster than business demands.

In thus stating the objections to an increase in the price of gold Professor Fisher has incidentally made clear the absurdity of the embargo on exports of the metal in the face of an urgent need of such exports to correct the adverse exchanges on neutral countries. There is a superabundance of gold in this country, and there is no good reason why it should not be used to restore the dollar to par in the neutral markets.

Money and Credit

The local banks strengthened their cash position last week in the face of a large expansion in the loan account. The weekly statement of the Clearing House issued yesterday disclosed excess reserves of $65,535,170, an increase of $40,580,950 over a week ago. Aggregate reserves increased $43,076,000 to a total of $561,086,000.

Loans and discounts of the banks expanded $72,648,000 to a total of $4,589,022,000. Net demand deposits increased $22,362,000 during the week. United States government deposits increased from $181,016,000 to $253,218,000.

Discount Rates.—The following table gives the current rates of the twelve Federal Reserve banks on commercial paper on all periods up to ninety days:

	Within 15 days, including member banks' collateral notes	16 to 60 days	61 to 90 days
Boston	4	4¾	4¾
New York	4	4¾	4¾
Philadelphia	4	4¾	4¾
Cleveland	4¼	4¾	4¾
Richmond	4¾	5	5
Atlanta	4	4¾	4¾
Chicago	4	4¾	5
St. Louis	4	4¾	4¾
Minneapolis	4	4¾	5
Kansas City	4½	5¼	5¼
Dallas	4	5	5
San Francisco	4	4¾	4¾

Bank Clearings.—Bank clearings yesterday in New York and other cities were:

	Exchanges.	Balances.
New York	$535,795,842	$54,392,112
Boston	49,631,819	7,561,709
Philadelphia	61,815,834	13,730,682

Silver.—London, 49½, unchanged; New York, 101⅛c, unchanged; Mexican dollars, 78c, unchanged.

Bank Acceptances.—Rates yesterday were as follows:

Spot delivery:	Thirty days. Per cent.	Sixty days. Per cent.	Ninety days. Per cent.
Eligible member banks	4¼@4	4⅜@4¼	4⅜@4¼
Eligible non-member banks	4¼@4½	4⅜@4¼	4⅜@4¼
Ineligible bank bills	5½@4	5¼@4¾	5¼@4¾

For delivery within thirty days:

	Per cent.
Eligible member banks	4½
Eligible non-member banks	4½
Ineligible bank bills	6

The Dollar in Foreign Exchange

Net changes in the exchange rates on foreign countries in the week ended yesterday were unusually slight. Although the neutrals fluctuated up and down, all except Switzerland and Spain are at the same level as a week ago.

Swiss francs, whose tendency was weak, declined most notably. The dollar would buy 4.44 Swiss francs yesterday, against 4.33 the previous Saturday. Pending the official announcement of the details of the American credit arranged in Spain, rates on Madrid continued to be easy.

Sterling and French exchange remained almost absolutely stable during the week. At the beginning of the week the neutrals were weak, when Austria-Hungary sent out her offer for a confidential and non-binding interchange of views, but they firmed up when it became known that the Allies would promptly reject the proffer.

The volume of trading in exchange during the week was relatively light and short covering was a factor in the daily fluctuations. The transfer of a part of the funds held in this city by individual Japanese bankers to the imperial government of Japan was an important development of the week. The Nippon bankers were credited with balances in Japan for their New York funds, which they were unable to ship on account of the American embargo on the export of gold.

If you calculate the cost of the dollar in terms of foreign money at its value—that is, if you were buying dollars with pounds, marks or francs—its value at the close of last week, as compared with a year ago, would be as follows:

	—Cost of one dollar— Yesterday.	Year ago.
In English money	$1.02	$1.02
In French money	1.08	1.10
In Dutch money	.81	.95
In Swiss money	.86	.86
In Swedish money	.83	.81
In Russian money	3.85	3.10
In Italian money	1.20	1.33
In Spanish money	.84	.82

Closing rates yesterday compared with a week ago follow:

(Quoted dollars to the pound.)

	Yesterday.	Week ago.
Sterling, demand	$4.7545	$4.7545
Sterling, sixty days	4.73	4.73
Sterling, cables	4.76½	4.7655
Sterling, ninety days	4.71½	4.71⅝
(Quoted units to the dollar.)		
Francs, checks	5.48	5.48
Francs, cables	5.47	5.47
Lire, checks	6.37	6.37
Lire, cables	6.35	6.35
Swiss, checks	4.45	4.35
Swiss, cables	4.44	4.33
(Quoted cents to the unit.)		
Guilders, checks	.48⅛	.48¼
Guilders, cables	.48⅜	.48⅝
Rubles, cables	13.00	13.00
Spain, checks	22.80	23.25
Spain, cables	22.95	23.05
Sweden, checks	33.50	33.80
Sweden, cables	33.60	34.00
Denmark, checks	30.10	30.20
Denmark, cables	30.30	30.40
Norway, checks	30.85	31.05
Norway, cables	31.05	31.25
Argentina, checks	.44⅜	.44¾
Argentina, cables	.44⅝	.44⅞
India, rupees, checks	.36⅜	.36⅜
India, rupees, cables	.36⅝	.36⅝
Reserve Bank rate	35.73	35.73

Below is given the current exchange value of foreign money in dollars and cents, together with the intrinsic gold parity, as calculated by the United States Mint:

	Current exchange value.	Intrinsic value.
Pounds, sterling	$4.7560	$4.86⅝
Francs	0.17.8	0.19.3
Guilders	0.48	0.40.2
Rubles	0.13	0.51.2
Lire, checks	0.13.33	0.19.3
Crowns (Denmark)	0.31.40	0.26.8
Crowns (Sweden)	0.33.40	0.26.8

The above rates express the cost of foreign money in terms of the American dollar. You buy an English pound sterling at, say, $4.7560. The intrinsic parity is $4.86⅝ per pound. Thus you say either that pounds are at a discount or that dollars are at a premium, which is owing to the fact that in England the demand for dollars with which to settle accounts in this country is greater than the demand in this country for pounds with which to settle accounts in England.

Slump in Cotton Follows Price-Fixing Report

Market Breaks 150 Points on Proposed Control of Staple

The report from Washington that President Wilson had told Southern Senators in conference that the Administration purposed to fix the price of cotton and control its distribution yesterday caused a flood of selling in the New York Cotton Exchange, and prices fell off 143 to 150 points to a level 6 cents a pound below that which prevailed recently when the end-August crop indications were published. The latest advice from the capital shattered the hopes of the traders that a protracted investigation of the cotton situation might delay price stabilization until after the present crop was marketed.

By steady liquidation the traders expressed their belief in the correctness of the report, although it was reported around the ring that Senator Smith, of South Carolina, who acted as spokesman for the Southern delegation at the interview at the White House this week, had told a member of the Cotton Exchange over the long distance telephone, yesterday morning that price fixing was not discussed at the conference, at which the problems of distribution and of consumption of the low grades of cotton were considered. Absorption with the prospects of paternalism in cotton was so complete in the exchange yesterday that the traders ignored the reports of low temperatures and light to heavy frosts coming from seven stations in northern and western Mississippi and Tennessee. Normally they would have been conducive to a rise in prices. The general disposition, however, was to even up commitments with the long interest showing relative weakness or nervousness.

The local market for spot cotton was steady and 130 points lower at 32.65 for middling upland; sales nil. The prices in the Southern spot markets were as follows:

Galveston steady, unchanged at 33.35; sales 335 bales. New Orleans dull, unchanged at 32.75; sales 954 bales. Savannah nominal, unchanged at 32c; sales 150 bales. Wilmington steady, 100 lower at 30.50; sales nil. Augusta steady, 113 lower at 30.87; sales 781 bales. Memphis steady, unchanged at 33.50; sales 1,000 bales. Houston steady, 125 points lower at 31.75; sales 6,403 bales. Little Rock steady, unchanged at 33.50; sales 76 bales.

A comparison of prices follows:

	Yes'day's close.	Previous close.	Year ago.
Cash	32.65	33.95	25.70
Contract:			
October	31.35	32.70	24.50
December	30.96	32.13	24.24
January	30.75	31.93	24.20
March	30.45	31.80	24.35
May	30.30	31.70	24.48

Price Level at New High

Commodities Up 93 Per Cent in Four Years

The general level of prices, as measured by Dun's index number of wholesale commodity quotations, is now nearly 93 per cent higher than at the outbreak of the war. The new high level attained on September 1 was $232.882. This represents a rise of 0.4 per cent above the former record figure of $232.575, established on July 1. Compared with $215.010 of September 1, 1917, however, an advance of 8.3 per cent was shown. The rise in the September 1 index number, it was pointed out, would have been higher had it not been for a decline of 2.5 per cent in the breadstuffs total, which fell from $51.620 to $50.314.

Streetcar Disputes Not Federal Court Matter

COLUMBUS, Ohio, Sept. 21.—Jurisdiction of the Federal courts to decide rate controversies between municipalities and street railway companies operating under franchise is denied by Federal Judge Westenhaven, of Cleveland, in a decision handed down here to-day. The court refused an injunction to the Columbus Railway, Power & Light Company to prevent the city of Columbus interfering with the company raising fares to 5 cents cash and 1 cent for transfers from the franchise rate of eight tickets for 25 cents and free transfers. Following an award of increased wages to company employes by the Federal War Labor Board in settlement of a strike, the street railway sought to abandon its franchise, raised the fares and applied to the Federal courts for an injunction to prevent the city from interfering. Pending the court decisions and acting upon advice of the City Attorney, patrons of the cars have been riding free, it is said.

Higher Fares Allowed

WASHINGTON, Spet. 21.—Permission to increase passenger rates to a 2½ cent per mile basis was given the Ohio Electric Railway Company to-day by the Interstate Commerce Commission. The increase affects rates between Cincinnati, Miamisburg, Germantown, Dayton, Columbus, Zanesville, Newark, Springfield, Lima and Toledo, Ohio, and Richmond, Union City and Fort Wayne, Ind.

Federal Reserve Banks

WASHINGTON, Sept. 21.—Of the $1,660,000,000 discounted bills held by Federal reserve banks at the close of business last night, $1,146,000,000 were secured by Liberty bonds and certificates of indebtedness, it was shown to-day by the Federal Reserve Board's weekly financial statement. Hereafter this segregation will be a regular feature of the statement. The report follows:

RESOURCES	Sept. 20.	Sept. 13.
Gold coin certificates in vault	$367,660,000	$385,214,000
Gold settlement fund (F. R. Board)	459,997,000	465,298,000
Gold with foreign agencies	5,829,000	5,829,000
Total gold held by banks	$833,486,000	$857,341,000
Gold with Federal Reserve agents	1,145,950,000	1,123,132,000
Gold redemption fund	44,122,000	44,086,000
Total gold reserves	$2,023,558,000	$2,024,559,000
Legal tender notes, silver, etc	52,481,000	53,173,000
Total reserves	$2,076,039,000	$2,077,732,000
Bills discounted—members	1,730,196,000	1,613,247,000
Bills bought in open market	250,032,000	239,750,000
Total bills on hand	$1,910,178,000	$1,852,997,000
United States government long term securities	29,022,000	29,563,000
United States governm't short term securities	41,878,000	33,777,000
All other earning assets	84,000	81,000
Total earning assets	$1,981,162,000	$1,916,418,000
Uncollected items	654,843,000	697,225,000
Five per cent redemption fund against Federal Reserve Bank notes	2,112,000	1,405,000
All other resources	12,100,000	13,013,000
Total resources	$4,726,766,000	$4,705,793,000
LIABILITIES		
Capital paid in	$78,689,000	$75,553,000
Surplus	1,134,000	1,134,000
Government deposits	169,141,000	206,733,000
Due to member banks—Reserve account	1,524,528,000	1,469,603,000
Collection items	490,265,000	527,762,000
Other deposits, including for'n gov't credits	100,173,000	115,302,000
Total gross deposits	$2,284,107,000	$2,319,390,000
Federal Reserve notes in actual circulation	2,295,031,000	2,245,429,000
Federal Reserve Bank notes in circulation, net liability	33,208,000	27,672,000
All other liabilities	34,597,000	33,615,000
Total liabilities	$4,726,766,000	$4,705,703,000

Ratio of total reserves to net deposit and Federal Reserve note liabilities combined 52,9 per cent. Last week 53.7.

Ratio of gold reserves to Federal Reserve notes in actual circulation after setting aside 35 per cent against net deposit liabilities 65.6 per cent. Last week 67.2.

Federal Reserve Bank of New York

The weekly statement of the Federal Reserve Bank of New York, as of September 20, compared with a week ago, follows:

RESOURCES	September 20.	September 13.
Gold coin and gold certificates:		
Gold in vaults and settlement fund	$313,747,355	$331,946,976
Gold with F. R. agent and in redemption fund—F. R. notes	301,910,415	312,164,715
Gold with foreign agencies	2,010,961	2,010,961
Total gold reserve	$617,668,732	646,122,653
Legal tender notes, silver certificates and subsidiary coin	44,807,786	45,358,015
Total reserve	$662,476,519	$691,480,669
Bills discounted and bought:		
Rediscounts and advances—Commercial paper	139,771,654	144,080,255
Rediscounts and advances—U. S. obligations	517,615,578	477,764,773
Acceptances bought	131,978,493	123,016,463
Totals	$789,365,726	$744,861,491
Investments:		
United States bonds and notes	23,727,550	19,783,450
Totals	$23,727,550	$19,783,450
Due from other Reserve banks	—	—
Total resources	$1,479,711,800	$1,456,125,611
LIABILITIES		
Capital	$20,172,800	$20,162,300
Member banks' deposits (net)	633,017,209	592,564,140
Non-member banks' deposits (net)	4,226,203	3,766,477
Government deposits	18,792,448	21,487,170
Due to other Federal Reserve banks (net)	—	7,490,891
Due to War Finance Corporation	1,383,507	268,765
Federal Reserve notes (net)	693,083,837	686,399,435
Federal Reserve bank notes (net)	11,244,000	—
Foreign government accounts	90,363,891	107,253,118
Other liabilities	6,778,539	7,719,949
Surplus	649,850	649,363
Total liabilities	$1,479,711,800	$1,456,125,611
Federal Reserve notes outstanding	760,576,405	747,033,355
Against which there is deposited with Federal Reserve agent:		
Gold and lawful money	286,910,415	297,164,715
Commercial paper	789,365,726	744,861,492

New York Clearing House Banks

The actual condition of the member banks, shown by the Clearing House yesterday, with the changes from the preceding week, follows:

		Changes.	
Loans, discounts, investments	$4,589,022,000	Inc.	$72,648,000
Cash in vaults of Federal Reserve members	99,450,000	Dec.	1,017,000
Reserve in Federal Reserve Bank	542,333,000	Inc.	42,935,000
Cash in vaults of state banks and trust co's	11,149,000	Dec.	206,000
Reserve in depositories	7,604,000	Inc.	347,000
*Net demand deposits	3,743,642,000	Inc.	22,362,000
Net time deposits	153,569,000	Dec.	10,953,000
Circulation	35,536,000	Dec.	122,000
Aggregate reserve	561,086,000	Inc.	43,076,000
Excess reserve	65,535,170	Inc.	40,580,950

*United States deposits deducted, $253,218,000.

Relevant Comment

Harvester Dividend a Help

Declaration of a common dividend of $1.50 a share by the new International Harvester Company will work out to the advantage of the stockholders of the International Harvester Company of New Jersey and the International Harvester Corporation, now merged. On the basis of the exchange of stock of these two concerns into the new it is figured out that the dividend just declared, if continued quarterly, will be equivalent to $8 a share. Under the exchange arrangement common holders of the International Harvester Company of New Jersey received one and one-third shares of new common for each share of common turned in, in the case of the International Harvester Corporation is the first dividend the junior shareholders have received since 1914.

Boston Notes Sold Here Privately

The City of Boston offered in this market last Thursday $2,500,000 notes maturing November 15, but none of the bids received was acceptable. On Friday the notes were taken by a Boston banking firm on a 4.40 per cent basis. On the same day the City of Worcester sold $200,000 short term notes on a 4.19 per cent basis. The bankers identified with both transactions said yesterday it was unlikely that either issue would be offered for public subscription owing to the short period for which they run.

Labor Shortage Hits Coppers

Shortage of labor is hurting many of the copper producing companies. The problem is particularly acute in the Lake Superior country. An example of its effect on output is seen in the copper production of the rich Calumet and Hecla properties during August. The production of this company and its subsidiaries last month aggregated 10,718,000 pounds, compared with 14,949,000 pounds during March, the peak month.

Surveying Copper Conditions

Copper producers point out that the falling off of production as a result of the labor scarcity hurts in more ways than one. In the first place it increases the amount of copper available for war purposes. Secondly, costs mount as production falls. In the past year, gross revenues declined. Producers are therefore watching with interest the efforts made on behalf of the canvass of the Department of Labor and the mine of the Ordnance Department is sending men and is aiding to determining how they are being affected.

Webb Law Associations Prepare for Peace Trade

Leading Business Units Are Combining Under the New Exports Act for the Commercial Invasion of the World's Markets

After the war, what then? At present perhaps no other question lingers more persistently in the minds of business men than this. Those with aspirations to foreign commerce after the war are beginning to realize that in the white heat of the world's greatest conflict they must begin to get ready for the economic scramble that is coming later.

Since the Webb-Pomerene bill became a law last winter economic preparedness for after the war trade has crystallized around that act. More than forty associations and corporations have already filed reports with the Federal Trade Commission at Washington, notifying it that they purpose to take advantage of the special privileges allowed under the "act to promote export trade and for other purposes" (The Webb law). And what is of equal if not greater importance leaders of other business units who are looking ahead are holding conversations with their competitors and are arranging the preliminaries, so that at a week's notice they will be able to form Webb law associations and enter the arena of world trade on the same legal footing as their competitors from overseas.

Roughly speaking, the Webb law largely nullifies the Sherman anti-trust law so far as concerns engaged solely in the export business are concerned. It allows American business firms to combine with their competitors for the invasion in a trading way of foreign fields. It authorizes agreements as to prices and the unification of selling and advertising organizations. It frees the American export business from the legal restraints which foreign traders long asserted handicapped them in the efforts before the war to compete with Germany, Great Britain, France and the other great trading nations.

Unfair Practices Still Tabooed

On the other hand, the Webb law does not exempt foreign trade concerns from all the inhibitions fixed by the previously existing anti-trust laws. Unfair practices, such as bribing the employes of a competitor, refusing to sell to foreign buyers who also deal with competing American firms, and the whole array of illegal tactics, which form a lively chapter in the history of the American "trusts," are forbidden under the law, which gives the right to any American trader to report instances of such unfair practices to the government for the purpose of initiating prosecution. The line between what the Webb law allows and does not allow apparently is not clearly perceived in certain quarters of Argentina, where the wail recently arose that this law permitted American firms to do all the "horrible" things in foreign countries which they are expressly forbidden to do at home.

The Webb law will enable American industries to enter the foreign field as single units, but the foreign customers will not be forced to buy from the American associations on any terms they may ask. The foreign buyers will have the advantage of competition from the European nations. The Webb law principle is clearly not designed as a means of exploiting foreign countries, but to enable American exporters to carry on their trade "push" on the same terms that those of the European nations do.

"With all proper safeguards against abuse," writes Gilbert H. Montague, lawyer and one of the most insistent advocates of the act, "the Webb-Pomerene law permits in foreign markets a degree of free action to which the American export trade heretofore has been a stranger. The law permits any American exporter to act in combination with any other American exporter, and with as many, or as few, as he desires, under any arrangement that he and they may agree upon, for any purpose whatever that relates to American export trade, and to any foreign market, so long as such arrangement does not affect trade within the United States or does not involve unfair methods of competition against some outside American competitor who is also engaged in the American export trade. As to the method of dividing, providing for the apportionment of orders, profits, losses, business and territories, and for fixing uniform prices in foreign markets upon any basis whatsoever."

Need of Marking Off Export Business

Of the associations which have already served notice on the Federal Trade Commission that they purpose to function under the Webb law, it has regarding the legal form of the organization has not been taken. In some instances, it is said, the line between the domestic business and the export business has not been drawn distinctly enough. The Webb law specifically states that it affects only corporations or associations engaged solely in export trade. A corporation that sells in foreign countries and in the American dependencies, for example, is not looked upon as engaged solely in export trade, for the American possessions is considered in the law as "trade within the United States." Close observers say that, unless corrected, such oversights are likely to cause trouble when in the future a concern may cite the Webb law as a defense of certain of its acts in violation of the anti-trust laws.

Where a concern is engaged in both domestic and foreign business students of the law declare that they must separate the export side of the business into a separate legal entity. Where a group of competing corporations combine, a new entity is automatically created, and it is optional whether it should be a loose association or a corporation in form.

New York Firms Under the Webb Law

Among the associations which have, in accordance with the law, filed reports of the nature of their business with the Federal Trade Commission are the following New York businesses: The Allied Sugar Machinery Corporation, the Allied Construction Machinery Corporation, the Allied Machinery Company of America, the American International Steel Corporation, the American Steel Export Company, the American Steel Export Company's Brazilian Corporation, the Automobile Products Corporation, E. Cranz, Inc.; Cranz Importing Company, Dodge & Seymour, Export Trade Association, Factory Products Export Corporation, Galban Noecker & Co., Inc.; International Clearing House of New York, Inc.; Manufacturers' Agents' Company, Inc.; Mark & Hammacher Company, Mexican Importing & Exporting Corporation; Muller, Maclean & Co., Inc.; Semtec, Ltd.; W. J. Sparks & Co.; Sydney Ross Company, United States Paper Export Association; Deco Company; De Lima, Correa & Cortissoz, Inc.; European & Far Eastern Sales Company, Farjarde Bros. & Co., Galena Signal Oil Company of Brazil, Helsam Company, Parsons & Whittemore, Texas Company, Zaldo & Martinez Export Company, Inc., and Zocola Company.

In commenting on the reports submitted by the foregoing and other associations, a representative of the Export Division of the Federal Trade Commission said to the "Tribune": "The list of names of those who have submitted reports is made public, irrespective of whether they are 'associations' within the meaning of the act as defined therein. It has been noted that many reports have been filed by 'associations,' which do not come within the definition, for such associations must be formed for the sole purpose of engaging in exporting to foreign countries. Whether or not such associations are engaged solely in export trade will be a matter of proof, when the activities of a given 'association' is being considered."

Inasmuch as the American Government is one of the largest purchasers of nearly the whole of the outputs of American factories the opportunity for free trading in foreign countries apparently will be small as long as the war lasts, especially in view of the rigorous restrictions and prohibitions placed upon foreign commerce by the War Trade Board. In fact because of war conditions the Webb law now allows virtually nothing more to be done than could be done before the act was passed. The Webb law was designed primarily for after the war business.

Organization Problems Now Being Solved

Because of this fact, many business units which expect to take advantage of the Webb law deem it unnecessary to file reports of their intention with the Federal Trade Commission at the present time. They argue that since the new machinery can not be used until the war is over, it is unnecessary to construct the formal instruments at this time.

This logic, which seems to be determining the methods of trade interests that may develop into associations that will cover whole industries, does not preclude active preparation. Indeed, there is nothing to prevent the units from organizing formally, but the formalities constitute merely the legal recognition of an effected arrangement. The important work of reorganization and negotiation among competitors is now going on.

Business men hail the present time as an era of good feeling among competitors, who are being drawn together by the common purpose of helping America to crush the common national enemy. This of all time, they argue, is the time to discuss and prepare for cooperation in foreign trade. It is held that after the war, if nothing is done until that time in preparation for foreign trade, the old doubts and enmities within industries may arise and cooperation rendered more difficult, if not impossible.

To a very large extent, therefore, parleys are now being held in industrial and trade centres of the country between competitors. The business units are working on blue prints, as it were, for the foreign trade structures they purpose to build as soon as peace comes. Such questions arise as to whether the associations shall cover all the units of an industry or whether they shall be several associations with price agreements among themselves, which of existing selling organizations in foreign countries shall be dropped and which retained, shall goods sold in foreign countries through the Webb law associations be sold outright to the association or merely consigned to them—these are the kinds of basic business problems which are now being coped with. When they are settled, all that will remain will be the legal task of incorporating it, in case the association decides to take the form of a corporation and then the filing of the report as to the nature of the association with the Federal Trade Commission.

Commission Pledges Aid to Business

The Federal Trade Commission, which strongly recommended to Congress the passage of the Webb law, will strive to have the law carried out in accordance with the spirit with which it was written. It will strive to aid business concerns and groups which want to combine for foreign trade and is desirous to stimulate commerce after the war in any way it can. Asked what the policy of the commission will be in the matter of aiding associations that desire to come under the Webb law, John Franklin Fort, one of the members of the Federal Trade Commission and former Governor of New Jersey, told The Tribune:

"Very much will depend upon a careful compliance of the act by the members of the associations to be formed, in the matter of formation of associations for foreign trade under the act, and great care in forming the associations as to their members being persons engaged solely in export trade, otherwise they may be found to violate the Sherman law. The purpose of the Federal Trade Commission to be as helpful to the business interests in this regard as it possibly can. We will do all the assistance that we can."

The Webb law is the keynote of the future of American foreign trade. Those who have pinned high hopes on it are bound to be disappointed. It is expected it will go far to remove the fetters from the American exporter and to place him on an equality with his foreign competitors.

FINANCIAL MEETINGS

SOUTHERN PACIFIC COMPANY. NOTICE OF MEETING. 165 Broadway, New York, N. Y., July 11, 1918.

A Special Meeting of the Stockholders of the Southern Pacific Company will be held at the office of this Company in Anchorage, Jefferson County, Kentucky, on Wednesday, October 9, 1918, at 12 o'clock noon, standard time, for the following purposes, viz.: To authorize, approve and ratify the execution and delivery of a contract or contracts between this Company severally or jointly with any one or more of its proprietary and affiliated companies, as party of the first part, and the United States of America, as party of the second part, relating to the compensation to be paid for the possession, use and control of the railroad and systems of transportation, and the operation, maintenance and return of such properties, and of any other matter arising out of the control by the President of the United States, and to authorize the officers of this Company to execute such contract, and to enter into agreements with the other companies parties thereto as to the division of compensation, and further to take all action necessary for the purposes aforesaid. The stock transfer books will be closed at 3 o'clock P. M., Tuesday, September 24, 1918, and will be reopened at 10 o'clock A. M., Thursday, October 10, 1918. By order of the Board of Directors. HUGH NEILL, Secretary.

Dividends

Specials

Great Western Sugar Company.—A special dividend of 10 per cent and an extra dividend on the quarterly dividend of 1½ per cent on the common and preferred stock, all payable October 2 to stockholders of record September 15.

Extras

Bank of Manhattan Company.—An extra dividend of 50 cents a share in addition to the quarterly dividend of $2 a share, both payable October 1 to stockholders of record September 20.

Ogilvie Flour Mills.—Extra dividend of 15 per cent on the common stock in addition to the quarterly dividend of 3 per cent, both payable October 1 to stockholders of record September 27.

Regular Declarations

Geneva Cutlery Corporation.—Dividend of $2.50 a share on the preferred stock, payable October 1 to stockholders of record September 20.

Taylor-Wharton Iron & Steel Company.—Quarterly of 2 per cent on the common stock, payable October 1 to stockholders of record September 24.

Central Union Trust Company.—Quarterly dividend of 5 per cent, payable October 1 to stockholders of record September 25.

Citizens' National Bank.—Quarterly dividend of 2½ per cent, payable October 1 to stockholders of record September 25.

Kansas Gas & Electric Company.—Quarterly dividend of 1¾ per cent on the preferred stock, payable October 1 to stockholders of record September 20.

National Park Bank.—Quarterly dividend of 5 per cent, payable October 1 to stockholders of record September 24.

Triumph Oil & Refining Company.—Monthly dividend of 1 per cent, payable October 1 to stockholders of record September 28.

Union Carbide Company.—Quarterly dividend of 2 per cent, payable October 1 to stockholders of record September 20.

Western Electric Company.—Dividends of $2.50 a share on the common and 1½ per cent on the preferred stock, payable September 30 to stockholders of record September 21.

Argentine Beef Shipments

During the first half of this year Argentina shipped 2,511,406 quarters, against 2,811,343 quarters last year, of chilled beef, a decrease of 299,937 quarters, or an increase of 352,146. Exports of frozen mutton amounted to 455,755 carcasses, a decrease of 605,797, and of frozen lambs to 93,842, as against 87,682 last year.